

Sedona Community Plan Update Public Meeting
Imagine Sedona – 2020 & Beyond
Economy and Prosperity Workshop
Jewish Community of Sedona and the Verde Valley
100 Meadow Lark Drive, Sedona
Wednesday, October 5, 2011 - 6:00 p.m.

Public Participants (excludes those listed below): 46

Committee Members:

Chairman Jim Eaton, Vice Chairman Jon Thompson and Committee Members Mike Bower, Marty Losoff, Barbara Litrell, Elemer Magaziner, Gerhard Mayer, Judy Reddington and Rio Robson

Councilors:

Vice Mayor Cliff Hamilton and Councilor Dennis Rayner

Commissioners:

Arts & Culture:

Budget Oversight:

Lin Ennis

Historic Preservation:

Brynn Unger

Housing:

Anne Leap and Sandy Moriarty

Planning & Zoning:

Michael Hadley and Scott Jablow

Sustainability:

Marlene Rayner

Volunteers:

Sandy Moriarty

Staff:

Kathy Levin, Donna Puckett, Mike Raber and Alison Zelms

INTRODUCTION:

The workshop began at 6:06 p.m. and Chairman Eaton welcomed the public to the *Economy and Prosperity Workshop*. Chairman Eaton then explained that the Citizens Steering Committee consists of volunteers and expressed the desire to have more people involved. He then referenced an article by Clay Thomson in last Sunday's *"Maricopa Republic"* regarding the best things in Arizona that shows #92 as, "Oak Creek Canyon in the fall, getting away from the dreck of Sedona and heading up the canyon to marvel at the trees." Years ago, another Arizona Republic writer talked about honky-tonk cluttered Sedona and that made several people so mad, they formed Keep Sedona Beautiful, and they soon had a lot of the old clutter cleared out, because their slogan was "Keep Sedona Beautiful, it is good business." Chairman Eaton then introduced the members of the Citizens Steering Committee and indicated that it is an honor for him to chair the Committee.

Mike Raber indicated that he wanted to explain the Community Plan and why we are updating it. It is the General Plan required by the state and it is our vision for the future, telling us where we should and shouldn't grow. The state requires us to update the Plan every ten years, but in addition, the Plan needs to constantly be looked at as conditions change, and we have had essentially the same plan for 20 years, so it may be time to rethink it.

Mike indicated this is the third workshop in a series of seven and we are beginning to transition out of the first phase of the planning process, which is kind of who and what we are. The first couple of meetings introduced us to some different thinking and what the Community Plan is currently, but we are now transitioning into what we can be, so we will be looking more at that over the next several months. Then, we will be looking at alternative futures for the community and building on what we are hearing, and looking at how that translates into alternatives, which is kind of what we might be in the future. Finally, we will work toward creating a common vision for the community hopefully by the middle of next year. That vision will become the new Community Plan and go through public hearings with the Planning Commission and the City Council. As citizens, you have the final say by voting on the Plan, and that will occur in 2013.

Mike explained that the themes of the workshops have been based partly on what we are hearing from you and what we know we need to cover in the Community Plan, so tonight we are focusing on *Economy and Prosperity*, and we have a great panel of community and Verde Valley leaders, and they have taken the time to join us to dialogue on how they see the economy changing over the next ten years and how that might impact Sedona. The panel will focus on a few questions, including whether or not Sedona should be looking at ways to diversify its economy and how we can do that and how we can strengthen our community to help existing businesses. Then, we will engage all of you in discussion with the panel for the latter half of the program.

Mike pointed out that we are recording all of this conversation in several ways, so the planning group has a full overview of the ideas and comments that come out of this. Then one of our Committee Members will make some closing comments at the end. We will try to wrap it all up by 8:00 p.m., and he wants to thank Rabbi Magal for the use of the facility, and the Jewish community as well -- it is a great facility. Mike Raber then introduced Marty Losoff, who is a Committee Member and Chairman of the Planning & Zoning Commission, and will be the moderator for the evening.

Marty Losoff thanked everyone for coming and talked about the Citizens Steering Committee consisting of volunteers; they are not consultants and they are not paid. Marty then pointed out that the panelists are all volunteers as well and they are experts in their field and have a degree of experience, so he thinks we will be happy to hear from them. Marty then introduced the following panelists and highlighted some of their professional experience as presented in their bios:

- Mike Jenkins - Community Development Director , Camp Verde
- Ira Marx - Sedona Entrepreneur
- Rio Robson - Citizens Steering Committee Member; Corporate Officer for Son Silver West Gallery
- Debra Emmanuelle - Executive Director, Verde Food Council
- John Neville - President, Sustainable Arizona
- Casey Rooney - Economic Development Director, City of Cottonwood
- Robyn Prud'homme-Bauer, Chairperson, Verde Valley Regional Economic Organization
- Tom Schumacher, Dean of Yavapai College, Verde Valley Campus
- Jennifer Wesselhoff - President/CEO of Sedona Chamber of Commerce

Marty explained that there will be a series of questions, and when we go to the audience, he will ask some of the same questions, but we don't have any set plan or answers, and Barbara Litrell will writing comments on the flipchart.

PANEL DISCUSSION:

Question 1: Looking out 10 - 15 years, imagine Sedona in 2020 and beyond, will Sedona's economy still be tourism-driven? If so, what is it going to look like? If not, what are some of the alternatives?

Jennifer Wesselhoff thanked the Committee Members for their willingness to serve. She then pointed out that 10 - 15 years really isn't that far away. She has been in Sedona for just over 11 years, and it has gone by so fast, and to make major changes to our major economic generator is going to be really hard to do in a relatively short period of time, so most certainly, she believes that tourism is going to continue to be the number one economic generator for Sedona, but there are lots of ways we can diversify. Some folks are afraid with the volatility of the tourism market. Why do we want to put all of our eggs in one basket? Well, because that is what we have and that is what works for Sedona, and there are lots of opportunities to diversify using tourism as the base to build and grow our economy. Why would we want to start over from scratch in trying to bring in high-tech or some other industries, when we haven't really fulfilled our tourism industries and the opportunities in the tourism industry? There are lots of ideas for doing that including more events, more festivals, focusing on the meetings market, the corporate market, looking at the international markets that we haven't focused on, looking at medical tourism, ecotourism. There are tons of opportunities that haven't been developed yet in our tourism market, so she believes absolutely that tourism will still be the primary economic generator for us in 10 to 20 years.

Mike Jenkins indicated that he agrees with Jennifer wholeheartedly, and also from the tourism side, we see people coming here from all over the world. It is pretty important to think about the local people; we all like to come here as well, and if you have more events and if fuel becomes scarce, money becomes scarce, your folks and neighbors in Arizona are going to want to come and see you, and maybe you could expand upon that and if you focus more within Arizona and the local area, he thinks you would have a lot of resource.

Casey Rooney stated yes tourism; he doesn't see that changing a whole lot. He isn't going to disagree, but he also thinks there are other opportunities and there is a lot of brilliant people who live in the Verde Valley that want to be in the Verde Valley, and they have chosen to be here rather than in San Francisco or Los Angeles or New York. There are tons of entrepreneurs in our community and they are not going anywhere. On his way over, he heard on the radio that Steve Jobs just passed away and he thinks there could be another Steve Jobs here in our own backyard that is working out of their loft or home. You are not going to be a smoke-stack industry; we all know that. It is going to be focused on tourism, but he could see you having a little business park -- world class. It doesn't have to take a lot of land; it could be totally sustainable and the kind of place where young people want to come and work, and that is where the opportunities lie. You have the most awesome assets in the world here; young people should want to be here, but it is an old people's town.

Marty Losoff then asked if any of the panelists think we are not going to have tourism as a major economic engine 10 to 15 years from now and Debra Emmanuelle stated that this is Sedona and tourism will always be a really important part of what brings people here and what keeps people here, but given what the economy is doing, if we rely on tourism, we may see a decline in the quality of life for the people who live here. We are already seeing that. As the Executive Director for the Verde Food Council, the numbers of people we see coming to the Food Banks is unbelievable. The Sedona Food Bank serves about 1,000 people a week, and they need that food. They are not just going there because they are lazy; they are going there because it is their only option. At West Sedona School, we started a Backpack Program, and we're giving food to kids for weekends on Friday afternoons, and there are 17 of them right now, and several of those parents have come to us and said thank you, because they couldn't feed their child if they didn't have this program, so talking about quality of life in Sedona, it is critical that we pay attention to that. She would like to see Sedona becoming a food hub, as well as a green technology hub. We have every resource available to do that; we have Yavapai College here and that could play a role in that, and working with Richard Sidy, with Gardens for Humanity, we have a K-12 curriculum in the schools, helping to get gardens in the schools and we have talked with Yavapai College about having it be K-16, so as kids grow up here, they can continue to learn about green technologies, permaculture and all of the newest information in agriculture, and then they will want to stay here, because there will be opportunities here.

Chairman Losoff commented that in previous meetings we heard that maybe Sedona could be the focal point in the United States for green technology.

Ira Marx indicated that there is no question that tourism will be the primary engine in the City in the next 10 to 15 years, because that is a short period of time, but it is a mistake to just rely on tourism. We need to develop small industries for the residents of Sedona, so they can make a living and stay here and enjoy the benefits of tourism or whatever. The City is not really very friendly to small businesses; we don't have zoning that encourages entrepreneurs to come here and set up little businesses. We need to think in terms of the kind of technology that could be supported very easily here. Being a tourist town, a small industry of souvenirs and little manufacturing would be ideal to set-up here, as well as Internet-type businesses. Education is being more and more touted upon the Internet; degrees are being given on the Internet, and there is no reason why we can't have that industry here and support that and encourage it. You were talking about medical-type, and yes, we should put special kinds of groups together for medical and quasi-medical. There are many, many different kinds of industries that we can support and put together and marry as a group, so you are giving somebody an incentive to come here, not just for one thing, but there are many things they can do.

Question 2: How do we create a balance and diversity in the economy without placing too much reliance on tourism?

Chairman Losoff added that Sedona is a tourism economy, but there are many residents that feel maybe too much emphasis is placed on that, so how would you balance out the economy between tourism and other opportunities?

Robyn Prud'homme-Bauer indicated that actually the previous question gave a lot of thought to that, especially when Casey raised issues around entrepreneurship and fostering new and innovative products or things like that in the whole Verde Valley, but in Sedona in particular. One of the terms that is kind of thrown out is "location-neutral businesses"; businesses that can exist anywhere and what they need is an infrastructure that supports them. These are people who want to live in places with a good quality of life, good education, fairly close to transportation hubs like Phoenix, etc., so you foster that and create an environment where they can find like-minded people to work together and explore their ideas together. You ensure that in the community are the businesses that support them, whether it is a conference facility and things like that, so it is kind of a natural transition from tourism, but it is encouraging them to come and live here and bring their money here, bring their families here, and they are not just people who are retiring, but they are people like Rio who are looking at starting their own business in the community, and that is like a natural transition that builds on all of the assets that the area has.

Chairman Losoff commented that we have heard comments about healthcare and can healthcare come to Sedona in some form or another, and he then asked John Neville about the first two questions.

John Neville indicated it would be good to frame the discussion on what you mean by economy. At this point, we are talking about economy as the flow of dollars, and that is really a narrow definition. Economy really means managing where you live. It comes from the same root word as ecosystem and ecology, and we're not doing a really good job of that. We're measuring a lot of the wrong things; we're measuring the flow of money as opposed to how well we are living, and the food issue is an example of that. When we look at our economic opportunities, we want to look at the basic levels. What shows us that we are living a good life here and what helps us secure prosperity? You start with the basic elemental things like our water, and we have a pretty good water supply here; our food, we have a very feeble, insecure food supply. If something happens to diesel fuel, we have three days worth of food on the shelves, yet the Native Americans came here and the white people followed later, because there was water here and you could grow your own food, and we are not doing that, and it is an economic opportunity. Another one is energy, we import all of our energy, and the energy grid is more under threat today than it has ever been. We have no need to import our energy; we have all the energy we need right here and this is another economic opportunity, by reducing our energy demands at the same time as improving our local energy resources. Our shelter is allocated and this is another economic opportunity; our transportation system depends on the importation of fossil fuels and that is another economic opportunity. All of these things are getting back to what we need to manage where we live in a way that we continue to prosper here and have a good quality of life for everyone, and those are all economic opportunities for us. Most of them we are ignoring and we're focusing only on how pretty it all is and trying to import people to leave their money behind.

John indicated that he is guilty of that; he is doing the Value of the Verde Ecotourism Initiative, because it is a way of bringing some more dollars in to help us build the foundation to move in the correct direction. It is also a way of bringing in people who value where we live and will help us accomplish these tasks, but that is where our economic opportunity lies, in looking at what we need to survive and thrive here.

Marty Losoff commented that is a good balance and one of the workshops is going to focus on sustainability, and if we had a big umbrella, he guesses sustainability would be the big umbrella and all of these things would fall under it -- economic, food, etc., all of the sustainability issues fall under that one topic, so in a couple of weeks, we will be talking specifically about some of those. Marty then asked Tom Schumacher what he thought about the first two questions.

Tom Schumacher indicated that you are going to always be tourism-driven, but he sincerely believes that you are going to see a new kind of tourism -- exactly what that is going to look like, he doesn't know. To him, that is kind of an exciting thing to be looking forward to. People are going to come here for the beauty and they are going to come here because it is so totally different. We were talking about going to Mexico in a couple of weeks, and we said people come from thousands of miles to go to Sedona, so maybe we will just go to Sedona for a week. There are a lot of different things that are here that make it unique that people are drawn to, but at the same time there are going to be some of these new industries coming up, and he will be the first one to say it, the word "wine" is going to be something that is going to take this whole area by surprise, and that is something that the college is totally committed to. We're going to build an infrastructure around a whole new way of educating people on how to do something in the southwest that has never been done before. We will become that depository for the nation, and this kind of gets to the third question, how we import rather than export capital. We are going to have people coming here to bring us ideas and thoughts. This is kind of radical thinking for a small community college, but it is one of the things we pride ourselves in; as the need arises, we will set it up. Workers for a new workforce -- we can do that for you. There is going to be new kinds of tourism coming in and certainly the traditional kind you are familiar with, but there will be families coming here bringing money, and the whole sustainability issue that is coming in, and we are going to become the model for that too.

Marty Losoff commented that as we talk about a Community Plan, one of the priorities is to give it a vision, not just rewrite the Plan. What is our vision going to be for the next 10 to 20 years? Something like Tom just mentioned is a vision; the college decided somewhere along the line that is something they are going to look at for the next many, many years and start small, but it is starting to pick up. Marty then noted the wine-related opportunities in the area and how it is stuff that all ties together with tourism, the Chamber, sustainability, etc.

Question 3: How can we improve existing businesses in the community -- what can be done to enhance, grow and get ready for the next 10 to 15 years?

Rio Robson thanked everyone for the opportunity to be on the panel and stated that it is important to remember that tourism is our main economic engine in Sedona. It supports our entire region as a regional economy as well. It is important, when we look forward to the next 10 to 15 years, that we try to make it easier for merchants to be sustained in Sedona and to prosper and grow, and that is one of the things that has been a challenge in Sedona; rents, taxes and trying to find decent employees to work in our shops is an incredible challenge. As a merchant, he really appreciates Sedona; he loves Sedona and supports it 100%, but one thing that gets to him a little is the art shows in Sedona that undercut our merchants and our businesses. It is really a difficult challenge to balance that, because he wants to support artists and we all want to do that, but it is a big challenge to move forward with that and have it where it is not undercutting our merchants. That is just one of those really big things, and as he speaks to a lot of tourists that come in their store on a daily basis, one of the biggest things they complain about is our taxes; that is a really big sticky issue and a lot of people don't want to purchase items in Sedona or shop locally, because of our current tax structure, so we need to take a look at that too.

Marty Losoff commented that it is good to see someone like Rio and some people in the audience, because some of us won't be here 10 to 15 years from now, so we have to listen to what some of these other generational people are talking about.

Jennifer Wesselhoff indicated that is an excellent point. The reality of the way the City of Sedona is set up is that we are reliant on bed and sales tax to operate the City, and 70% of the General Fund, which operates all of the City services that we all take advantage of, including the pool, parks, police, etc. -- 70% of that is paid for by our visitors. We need to really understand that and know that there are opportunities to grow that, considering some weeks in October are at 100% occupancy and some weeks in January are at 30% occupancy. There are lots of opportunities to grow and build that, but we also need to know that shopping locally -- each of us individually need to spend \$750 a week on non-perishable items that you pay tax on, so food at the grocery store doesn't count, but basically everything you buy at Ace Hardware or Walgreens, for example, in order to invest \$1,000 into the City coffers to pay for all of your City services. She is not sure if our residents really understand that we get all of these

great services in Sedona for very little investment, and that is something that looking into the future, we need to think about alternative revenue sources for our City.

Chairman Losoff indicated that again looking ahead 10 to 15 years, we are kind of assuming that tourism is still going to be a major force for us, but also think 10 to 20 years from now, we are going to have to rely on a secondary form of engine, so how would you describe that engine, i.e., industry, home businesses, etc.?

Ira Marx stated movie industry.

Mike Jenkins indicated that he just returned from the Arizona Planning Conference and his building official just returned from the NASBO annual conference, and everything we are seeing when we talk about what mandates are coming from the federal level or as far as energy conservation for the construction of homes, vehicles, conservation of energy, all the things we are seeing, in this 10 to 15 year cycle, he believes it is going to look absolutely different. For the homes you may see in 10 to 15 years, you may consider heating your house with a candle, because of the insulation requirements and the window double and triple sealing for the heat hold-in and prevention of heat loss, etc. Sedona has always been the place where he has seen some of the best, most innovative custom-type of construction within the Verde Valley. If people are going to come here, they are going to come for that reason, and that has been an industry -- we saw the vehicles three or four years ago coming out of Camp Verde and Cottonwood heading for Sedona to go to work for the day. We also are very impressed with Sedona, because their approach to a sustainable economy is based on a regional approach, where Camp Verde may provide employees, food and they come to participate in Sedona's tourist activities. They are now thinking of this as a neighborhood rather than individual communities.

Marty Losoff referenced the movie "The Graduate" where the future father-in-law said that he had one word for him "plastics", so he is trying to find out the panelists' one word.

Casey Rooney indicated that he wanted to follow-up on what Tom Schumacher said about tourism and sustainability tourism. In the future people are not going to come here just to see red rocks and the Verde River, they are going to come here, because they are going to see a real creative community -- the Verde Valley, Sedona that is really into sustainability. They may fly in from Germany, rent a car, drive up this way, and it is not just to see red rocks, they are coming to see what is happening with water conservation, food production, vineyard growing, wine production, solar, etc. He sees that as being a real tourism opportunity that we have tapped into yet. They are just coming here for beauty, and in the future if we really nurture this kind of thing, they will be coming here to see how we are living in a desert and thrive in a desert.

Marty Losoff commented that it is interesting in that scenario, what kind of car will they be renting or what mode of transportation will they be using? Mike Jenkins indicated that he was impressed with the Jetsons as a kid. Marty then asked Tom Schumacher what we would be doing as an alternative to tourism.

Tom Schumacher stated that his one word would be "education". His parents forced him to go to high school and he hasn't been out of education since, so he sees the value in it for everybody, and that is again where the opportunities lie. It isn't just for the person who is going to be the PhD or a rocket scientist. We can educate a lot of people in a lot of different ways and be that community. If we are talking about Sedona in 20 years, it is just going to be a bigger community. We will have Camp Verde and Cottonwood, and we will all be working together, and that is how he views it. He looks to be a member of that future already. We will continue to grow and make things happen in new and different ways.

Rio Robson indicated that his one word would be "tourism".

John Neville indicated that his one word would be "resilience", and that is because at the moment, most of the tourists drive here and they don't drive from great distances, and the ones who come from great

distances drive after flying into Phoenix, and when gas gets to \$5.00 and up per gallon, and even if they develop that awful pipeline in Canada, the price of gas is going to go way up, and that will have a dramatic impact on tourism here. Resiliency is what he would say is our one word. How do we become resilient and self-reliant? We are already doing this, remember we have about 120 non-profits in here that add millions of dollars of value to this economy and we don't count or calculate it. It is already here and we are already doing this, and we have the groundwork for continuing a local thriving economy, even if the tourists don't show up quite as much. He really likes the idea of the experiential tourism and trying to set some models; we have about 20 years to catch up with other communities around the United States, who are that far ahead of us, but we do have this beautiful place and we can do something. We are called the Verde Valley, and we have that word, and he bought all of the URLs for it, so we can do things with that and make something special here, even though we are so far behind. We can leapfrog and catch up.

Debra Emmanuelle indicated that her word would be "permaculture", and when you break that down, "permanent" brings in the idea of sustainability and "culture" is really important. What kind of culture do we want to have here? Culture comes from the same word as cultivate, so what do we really want to cultivate? Do we want to cultivate money and do what has basically always been done or do we want to change what we create in the future, so that what we have really supports all of the residents here. We have the ability and technology, we have everything needed except for the funding, so money is important, but it is like a warehouse; it is a greenhouse that is a large size greenhouse -- aquaculture, so we can grow exponentially more food in a smaller space. It is a vertical greenhouse and an amazing system, and it takes 85% less water with incredible meals, so we have the ability to create a food hub where people and learning institutes could come and see what we are doing. There is a trend throughout the United States and Sedona of all places should be a leader in that, not a follower. We need to move forward in sustainability and creating all that we can to be able to be self-sustainable. That warehouse can be completely off the grid; it doesn't need electricity, because it can be solarized. There are some amazing opportunities available, depending on what we decide to invest in.

Robyn Prud'homme-Bauer indicated that her one word was "interdependence", all communities in the Verde Valley working together and the assets that each one of us has. Around this table you see a lot of interdependence, we have Camp Verde and Clarkdale, Sedona, Cottonwood and Jerome; it is working on our assets and identifying commonality of where we can work together, whether it is growing the food to sustain us or building our energy independence or building the houses of the future with current technologies. We all have it in our communities and that is where the word interdependence fits best.

Marty Losoff commented that Mike Jenkins said "neighborhood" and it sounds like maybe Sedona, Verde Valley, all of us will be one big neighborhood in 20 years. Robyn Prud'homme-Bauer stated that we are today.

Ira Marx indicated that the last eight months they have been looking at growing food hydroponically, aeroponically, greenhouses and in enclosed buildings, and looking at the costs and how much we can grow in certain areas, because the climate in some of our areas doesn't sustain growing of crops, because of the ozone and whatever. We also found it is very difficult to get permits to do this and finding locations and the cost of the land in a lot of cases is prohibitive, so it is going to take a lot of dollars to put all of this together, and that is one of the things they will be looking at, and hopefully they can put the program together, because food supply in this area is going to become more and more difficult. Between climate and cost of transportation, food is going to be a serious problem in the coming years given this location.

Jennifer Wesselhoff indicated that hers is a phrase, "A place where people want to be, to live, to play, to work, to start a business, to learn, to innovate, to raise a family, to grow, to live", and she thinks that will keep us all sustainable.

Marty Losoff thanked the panelists and indicated it was time to turn to the audience.

Audience Input:

Public Speaker 1: Moved here the year Sedona incorporated in 1988 and stayed at Sky Ranch Lodge and looked up and said, what could people living here do to be unhappy? We have no traffic, no crime and no pollution. He came from Austin, Texas, which was a town of a million people. Dell Computers is located in Austin and it has flourished. The employment of Dell Computers is an average age of 30; our average age is 59½. His question is what is the difference between romance and conception? One panelist stated a good drink. The public speaker indicated that conception creates, romance does not. There are 200 acres on Airport Mesa and we have an airport; the other 188 acres can be used for amazing things, including farming and affordable housing, everything you can imagine. There is a plan sitting in the room that holds all plans that was authored by Mike Bower that re-created Uptown into a pedestrian-friendly beautiful Telluride-style, rather than a mall that is bifurcated by a state highway. When he built the Nepenthe development, affordable housing was his goal. They started at \$98,500 and doctors bought two and put doors in-between. We were lucky to get 30% local community . . . Marty Losoff interjected that we need to get to the other questions at this time.

Public Speaker 2: Indicated she had been listening to a lot of thing you said and one of the things Jennifer said struck her very strongly, and also what Rio said, which was that we have a very high sales tax. She works in the spa at Los Abridados and people who buy things there tell her all the time that they are astonished by it. She says to them that it is because we don't have a property tax and we expect to get it all from them, when you have an economy and a community where the people who live here are not willing to pay for the services they demand and the services they get, and they expect to extract more and more money from tourists in an industry which is a roller coaster-type of industry and subject to so many variables. Additionally, it seems that in order to build a community that is the community you want, you have to invest in it like a business. She wondered to what extent people on the panel would . . . she happens to think a local property tax is something that Sedona needs in order to become the kind of community that you are all taking about and that everybody in the audience wants. We want this and we want that; most communities that attract businesses give them affordable land, but land here is prohibitive. They give tax breaks; we don't have a tax, so is there something in there, when you are talking about recalibrating the taxes, and does a property tax make sense? She worked on the census, and a huge proportion of homes in Sedona, 5,000 sq. ft., 10,000 sq. ft. homes are second and third homes, not occupied, and we get nothing. The community gets nothing from those homes.

Marty Losoff asked the panel what they think about a property tax.

Casey Rooney indicated that he agreed 100%. They moved here like everybody else and they paid their fair share of taxes where they came from. Of course, he doesn't want to pay taxes, but Tom should have to. A lot of people leave their money back where they came from and they don't bring it with them, and you have to have a balanced tax system. He would be a proponent of some sort of property tax, because he doesn't think it is fair to come here and not expect to pay.

John Neville indicated that it also takes his breath away too, when he buys things here, which he tries to do as much as possible, but he doesn't even come close to \$700. We should all invest in our community the best we can, and there are all sorts of ways of doing it, and if we look at economy as something besides just money, then we get all sorts of other opportunities to do it. You are very right about incentives. One of the things we tried to do when we started Sustainable Arizona is do develop incentives to encourage good behaviors, and the only incentive we had was to say we will try to speed up your permit process if you go with a green building, but that is not enough. We have to rely heavily on Impact Fees to pay for some of our infrastructure and that doesn't seem right either, because we all benefit from that infrastructure. He believes in investing in our community and he is not a cash-rich guy, but we should do this. His house in Minnesota was worth about one-third less than the house here and he paid slightly more than twice the taxes. Of course our schools were a lot better than they are here, and we had all of these incredible services, etc., and we could do incentives to encourage the kind of businesses we want to grow here. John then added that if you go to Canada and pay the GST and the PST and the HST, and then go to Europe and pay the BAT, and come back here, you will say 10% is a deal.

Marty Losoff asked Jennifer Wesselhoff what she hears from visitors and people around the community about sales tax and property taxes, and Jennifer indicated that they get quite a bit of feedback on the sales tax and right now it is around 10.25% and 10.75% depending on the county, and then you add a bed tax to that if you are staying overnight, so you are at 14%, and that really puts us at a disadvantage, especially for the hoteliers who are going after a large group and competing with properties like the Hilton or a La Quinta in the Village who are 6% less right off the top. Generally when people are talking about revenue generators for the City, they immediately think just increase the bed tax or the sales tax. Property tax is certainly an option as is a grocery tax, but we all know the pros and cons to adding different taxes. If you add a property tax, you are hurting the residents who may barely afford to live here as it is and the businesses who own their property here, and if they don't, they are leasing it and the owners will pass that increased cost along to them, so no time is a good time for taxes, but it has to be commensurate with what you are demanding for services.

Marty Losoff asked if there is any panelist that is against a property tax for Sedona and no objection was stated; however, Ira Marx wanted to point out that we are paying a property tax, but we pay it to the county and they are not cheap.

Public Speaker 3: Stated that he is definitely not for a property tax at all. He doesn't think that is sustainable economically. If you want to be self-sufficient, it would be nice to own something and actually be free and not be eternally taxed for the rest of your life, but he would be totally for a one-time tax on properties that are sold, at the time of the sale. That would be appropriate -- if you sell a house, you tax it one-time. You would still collect a tax, but the person who owns the house wouldn't be eternally indebted to pay the tax. John Neville asked who pays for the cops and all of the other stuff that you get and the public speaker stated the tourists.

Public Speaker 4: In regard to property taxes, she made a decision to move here based on the fact that it was lower and she was therefore able to take one-half of the kind of pay that she was earning back east where she paid higher taxes, so the thing you have to remember is that you still have many working people who are not necessarily coming here with a great deal of money, and they make the decision that they can afford to live, work and play here based on the fact that there are less taxes, even though there is a whole lot less income.

John Neville indicated that property taxes are often indexed to income, so if you are in a marginal income tax bracket, the tax is not regressive. There are other places where it is very regressive, where people can't afford to live in their own homes anymore, but it is not a difficult thing to set-up a non-regressive property tax, and a good majority of the people who work here would end up really not contributing to a property tax and those who could would.

Public Speaker 5: Moved to Sedona about 1½ years ago and she feels very honored and pleased to be able to live, work and play here. She loves this place and she is so happy to be here. She has nothing to say about property taxes, but she does have a question, and that is, do any of you have a model city that you think has done a really good job at evolving, and if so, where is that city and why do you think they evolved from tourism or they attracted a new kind of industry, how did they do that effectively and how might we model that? She hasn't heard any examples of other cities in similar situations that have done a really good job, so she is curious if that exists, because if it doesn't, then we could be a model, but we have a lot more work to do.

Marty Losoff asked the panel if they have any ideas, and then he is going to ask Mike Bower that same question, because he has had some experience with that as well.

Jennifer Wesselhoff explained that they look at different cities depending on what they are looking for, so they looked at Telluride as a place for events and festivals. They also look at Estes Park, Aspen, Jackson Hole, and Santa Fe in terms of arts & culture and how we can bring more of that to our area, so it is not just one. We have about ten that we look at for different things that we want to emulate.

Robyn Prud'homme-Bauer agreed that you look at different communities depending on what you are looking for. When she talks about bringing in location-neutral businesses, she looks at places like Steamboat Springs as a leader in that. They have built a whole community around that concept.

John Neville mentioned Boulder, and stated that it is hard; the leading edge sustainability tourism community still had tourism as their major economic driver -- Whistler and others. Santa Fe is the State Capitol, so they have a government there, but if you take a look at what they are trying to do in Flagstaff, for instance, with their sustainability initiative, they have a full-paid staff who is working on sustainability. They are diversifying their economic base and what we need to do is stop thinking of Sedona as Sedona. Sedona is one little industrial attraction in the Verde River Valley and that is our community. If you look at it that way, then all of a sudden, we do start to correspond to a number of other communities around the country and we can start to grow. With the work that VVREO is doing and SEDI, the Sustainable Economic Development Initiative, we are both collaborating together on how to grow these kinds of businesses that help us to become more resilient.

Marty Losoff introduced Mike Bower, one of the Committee Members at this time.

Mike Bower agreed with everybody's comments that you look at certain communities for certain examples. He also wants to amplify the comments he has heard that tourism is kind of a driver, but there are ways to enhance tourism and Tom has been working with the college to create a viticulture curriculum that will bring people into the Valley that aren't just coming to study it in school and signing up for credit hours, but coming to be instructors, learners in seminars and provide complimentary businesses. The talk of having us being a role model of sustainability is a great dream, and in trying to look for other peer communities who are doing that as a goal, he doesn't think anybody has really mastered it yet, because the whole world is just starting into that. There are many communities that have actually committed their entire public car stuff to a certain kind of biodiesel fuel for instance, so they commit school district, government, etc., to that, and then they have a biodiesel gas station, so the residents can then convert to biodiesel, because it is now available, so you can find little examples in many communities of many good things.

Mike added that there are some great gardening concepts, grid of gardens, where a community has taken a lot of empty space, rented it and produced a lot of food and learned a lot about how to save seeds, etc. For us, he is going to look to Branson, Missouri, and that is almost a negative example except it is pulling itself out. It was a beautiful place with nice forests and rivers and it had a draw of lots of visitors that got pie, etc., and then somebody said let's put in a Dolly Parton performance place, and the next thing you knew they had all of these country western things, so now people don't even remember Branson as a place of beauty. It is a place to go to party down, drink and listen to country western music, so you can totally ignore your assets as you are looking for these secondary resources for tourism, but our job is to find value-added ways to turn tourism from just strictly getting the money and coming to look at the beauty to something where people come and spend a longer period of time, do some educational and arts & cultural efforts, and potentially you are actually doing agritourism where you are working in a vineyard and taking that inspiration home with you. He did agricultural tourism throughout Europe and he got a few little communities that way, but it would be a good challenge for all of us to Google away and see what we can find. We are going to open a little planning room about the size of this and we hope people will come there and start helping us.

Public Speaker 6: Has lived here for eight years and he loves it here. He has been a teacher for 45 years at all grade levels and spent 30 years with pre-school children, and what drew him to the pre-school child, when he was teaching at the University of Wisconsin and a great place if you want to know about model communities; it is a little larger but it is Madison, Wisconsin, and it is a great tourist attraction, and he feels here what he experienced there. People who come to Madison as tourists fall in love with the people and what he is emphasizing in this meeting from his heart is the greatest economy is truly the economy of living well, completely, holistically together interdependently, interconnectedly. The people in 15 to 20 years will be, as he believes they are now, the people are the number one driving engine of any economy anywhere, now and in the future, and even if we have difficulties like we already have in our country. Living well can become stronger economically when we build partnerships between businesses

and neighborhoods. He lives in a great neighborhood; the oldest historic district in Sedona is coming together just like you are here; it is the Harmony neighborhood of five hundred homes and 1,000+ people, and now they are beginning to talk about collaborations, so take the 120 non-profits and we are talking about what if we as a community, the Verde Valley community with Cottonwood and the surrounding areas, start collaborating with partnerships between businesses and non-profits and neighborhoods, and eventually in 20 years, they all connect and cooperate, so the greatest attraction will be "we the people".

Public Speaker 7: Works at Joe Wilcox Indian Den in Uptown, and she noticed you all indicated that tourism is our economic driver, but she is kind of hearing that you are looking for an alternative and your current economic driver actually has been struggling the last three years or so. Three of their shops closed in the last three years that had been open 10 to 30 years, and in the past, you almost didn't find an empty slot in retail, but nowadays, you are finding empty places everywhere. We still have a lot of problems to deal with and she saw on the boards that 89A had been remodeled, so now it is somebody else's turn, but you really haven't addressed all of the problems facing Uptown. Regarding the current taxes, they hear it every day -- they are too high and we are losing our buses. We used to have a great amount of buses stopping in Sedona; they have no parking, we aren't really accommodating them, and we are talking about 40 people per bus and maybe six buses a day, so that is a huge amount of revenue to lose for retail. The hotels don't seem to care as much, because they aren't staying overnight, but to the retail and restaurants, that is a great loss. They have lost parking due to remodels and you see on weekends and holidays, tourists hunting and driving and a lot of them just give up and drive away, because there still is not enough parking. As Rio mentioned, we have a hard time finding decent employees, because housing is still a problem. Some of the other sustainable ideas are great, but you are still going to need revenue to do these things, and if you don't follow-through with your current economic driver, you may find that things fall off even more.

Marty Losoff asked if she had any specific suggestions and the public speaker indicated that she was just curious if you still plan to support tourism or if you want to address any current issues. John Neville indicated that is why we have started the Value of the Verde concept and the idea of encouraging ecotourism. Ecotourists tend to stay longer and they tend to value the place they stay in. Some of the issues you brought up regarding the buses and the parking, etc., are systemic issues that have to do with how people get around, and we need to get another way for tourists to get around when they come to town. The only way we can do that is to get people out of their vehicles. He would love to get out of his vehicle, and it would be great to have tourists get out of their vehicles too. The first meeting he went to in 1998, before he bought his piece of property, was on transportation here and alternatives to the car. We haven't done anything with it and we've lost our little shuttle buses, which were valuable for Uptown. We need to look at systemic change here, so you are not relying on people coming through on their way to the Grand Canyon for your income. You want to have people who will stay for a while and shop more than once in your place.

Casey Rooney indicated that he has spent the last five years helping rebuild a community, and it is Old Town Cottonwood. You can drive through parts of Cottonwood where you will see empty stores, but even those are starting to fill up, and what took it beyond that poverty mentality they were in was a real creative culture that reinvented itself. Five years ago, he told a lot of people that you could shoot a cannon down Main Street and not hit anybody, except maybe a bum walking down the street, but now it is a vibrant younger demographic and a real creative group that is reinventing themselves, and his suggestion is reinvent yourselves or go out of business.

Rio Robson indicated that one of the cities that we could take a close look at for how they manage their tourism and taxes is Jackson Hole, Wyoming. He is also a resident of Jackson Hole and the property taxes are high there, but they have kept the sales tax low, and one of the really neat things about Jackson Hole is they have a transportation system to get people around, and they also have a large parking garage. When that town fills up, they have a place for all of the cars to go, and that is one of the things we don't have here. People are not going to stop driving their cars to Sedona, so we need a nice place for them to park and that is part of the reason we have such traffic jams around here on the weekends; there is no place for the cars to go.

Public Speaker 8: Moved here in August from Phoenix and before that Philadelphia. Number one you keep mentioning all of these western cities, but you should take a look at the Camden, Rockport and Rockland area in Maine; it is right on the water and a beautiful area, but they had wealthy people who invested their money in businesses in the area. Charles Cawley who was President of MBNA Bank was a part-time resident there and he actually brought in the entire MBNA industry and incredibly bright people, and it flourished the area. He retired and they pulled out after a while, but what she is getting at is we need to focus a little bit on, well tourism is wonderful and she appreciates it greatly, but we need to focus on people like herself who are young, highly educated, who don't want to work in a hotel or restaurant or spa, who want to find a good industry to work in. Why don't we start talking to those people who have the second and third homes, who are wealthy and who work in some industry out there, to get them to come and bring in their industries? There are great kids here, there are young people here, and in the average age at 59, there are some people who are really smart, and she wants to see that flourish and be brought out. She hates to say this, but we don't need another T-shirt shop; we don't need another tsotchke place; we need an industry that is going to help us grow as a community, so when tourism goes down, which it will because of the price of gas, we still have money coming in, because there is industry going on. In Sedona, you have Cottonwood, Clarkdale and the whole Verde Valley, so why aren't we taking advantage of the resources we have, to make this place really shine and bring in industry that will bring in people to invest. Why aren't we doing that?

Debra Emmanuelle indicated that she totally agrees. The numbers that we see right now for the hungry and unemployed are pretty unprecedented and she doesn't think we have seen numbers even close to the depression up until now. What got us out of the depression in 1935 was when President Roosevelt started his job program, it not only moved them out, but it helped them to survive the depression while it was still happening, and if we have any prayer of turning our economy around and making sure we don't have hungry people, the whole Verde Valley needs to invest in job creation, and again, going back to the food hubs and the ecotourism and green technology, if we were to create jobs in those areas, we would serve multiple purposes. We would have plenty of food, the green technology, and have reasons for people to come here and study and learn about what we are doing, and it would turn the economy around, but without new jobs, it is not going to happen. As far as a lot of the cities go, she has read a lot of ideas and proposal for creating jobs in cities, but she hasn't seen that many cities actually creating jobs, so she finds that interesting.

Robyn Prud'homme-Bauer stated that people create jobs by investing in communities. Cities don't create jobs and towns don't create jobs; it is people. Some of the things for why we started a regional organization are that we knew that we needed to work together on a bigger scale of people and resources. Things we are looking at to help bring money into the region to help invest in businesses that want to grow are things like revolving loan funds, angel investment funds that don't exist in the Verde Valley, but we need to do it together. Sedona can't do it alone, it is too small and Clarkdale is too small, Cottonwood is too small, but as a region we can do that, and those are the things that we are starting to do so people will start creating jobs, because they want to bring their industry here or build their industry here and expand. One of our great opportunities is the wine industry; we have seen a lot of positive movement forward. People are investing dollars here, but they need some help. They can't always come up with dollars to expand, and expanding their operations means job creation down the road -- the ancillary businesses that come with that, but we need to have a place where people want to invest and we need some mechanisms in place to do it. We don't have that here. We think we have everything here in the Verde Valley, but we are missing a few things, and those are the things we have to work on to help the community, and to work together as a community to build the economies we want here and that fit here and want us to live, work and play here, which is why she came here and why she lives in Clarkdale. We have to build those mechanisms; they are not here today and we are working together to do that.

Ira Marx indicated that creating jobs is truly the kind of engine that we have to exploit here in the City, but to do that, the City itself has to make an atmosphere conducive to people coming here and becoming entrepreneurs and investing. A good example is the film industry. He has talked to a number of filmmakers and they won't come here and make films in Sedona, because this is not a friendly place for them to make films with regard to the City. The City is not friendly to filmmakers. If we were friendly to filmmakers, it would bring a lot of dollars in here and it would be a lot of jobs.

Marty Losoff asked what "not friendly" means and Ira stated regulations, permitting. A good example is on a road that was off of the main tract, they wanted to do some filming and the City said, "You can't do this by yourself, you have to have Police" and they had to pay \$45 per hour to have five Policemen -- ridiculous. That type of thing, so the City is very unfriendly when it comes to this.

Marty Losoff asked if Chairman Eaton had a comment he wanted to make and the Chairman indicated that we have no idea how many home occupations there are in Sedona. He knows there are quite a few and there are some sitting here tonight, and he was one himself for eleven years on a small scale, but even that brought money in to thirty different types of businesses in Sedona and he never took a nickel out. He would like to ask Ira and others in the audience, what we can do to foster businesses like that. A lot of them are high-end and well worth doing.

Ira stated that we should encourage home businesses instead of discouraging them. We also should make areas in the City zoned for commercial, not industrial, but commercial, so a small business could come in and not have to go through a permitting process or a change of code or whatever; they don't want to do that. It takes time and money and small business people don't have the time and money to do that.

Public Speaker 9: Is a Software Engineer of 15 years and he has been writing codes in Sedona for about six years and he has to admit there is really not a lot here for being a software developer. He would like to see that change. Software development is a great industry with low overhead and you can do it in your home, and you don't need a Bachelor's Degree to do it. Anyone can learn codes if they spend time at it. He would like to see the City try to be more geared toward software engineering, they could also soften the vacuum for a lot of local businesses that can definitely use it, and it might keep out some of the charlatans going around and scamming people through websites, etc. He would like to see a relatively good change in that, because it is a great investment, especially if you create like a temp agency that can get other people work in software engineering to facilitate making websites or doing ILS applications, etc., so he was wondering if you had any comments or if you see Internet Engineering as a viable concept of business.

Tom Schumacher indicated that the problem with any of those things is they tend to be very expensive, especially for the start-up, and speaking in terms of the film industry, we have a film school in Sedona. It is not very well supported by locals; people around the world fill those classes, and it is a very expensive program.

Public Speaker 10: Has a black Mac book from 2007 and it cost him \$500, and it was created so it tripled the amount of time. As far as starting out, he has a low overhead, his computer is all he needs and a server. You can go on Go Daddy and get yourself a virtual host to make a website. He still thinks it is a great business for people who are working out of their homes, who contract from a distance. They can contract from California to the east coast and he has contracts on the east coast mainly in Maine and parts of New England. It is a great business and at \$30 per hour people can make a living off of Software Engineering for a family. A lot of people who also bring businesses like Graphic Designers can bring the real artistic out in Sedona, and it can help set up businesses who are already established in this town for E-Commerce, wishing they could cut back in driving, and they can promote shipping instead of goods.

Marty Losoff indicated that E-Commerce in the home sounds like a possible alternative.

Jennifer Wesselhoff indicated that just to be a devil's advocate, she thinks what the City is looking at priorities and trying to figure out where they are going to get a good return on their investment, in terms of how to prioritize the economy and prosperity, and we need infrastructure number one; we need Wi-Fi and good broadband service that will allow businesses like that, but as far as she knows the City doesn't really generate any revenue from a software developer working out of the home. When you charge a business to do their software development, you don't charge tax on that, so the City doesn't make any sales tax. With any online sales, the City isn't generating any sales tax.

Public Speaker 10: Stated that is not true and he has studied E-Commerce and has been told that his employers want him to charge 10.6% or 10.725% sales tax on any goods that someone buys in Sedona, so if someone is looking to buy in Sedona, they do pay sales tax, and that goes right to whatever commerce account you are using and it is deducted from the amount.

Marty Losoff indicated that is kind of a controversial thing; he thinks California charges and some other states don't.

Public Speaker 10: Explained it is up to the business owner; of course, there is no tax audit, it is really how honest you want to be.

Public Speaker 11: Indicated that she will follow-up on that. She has been living in Sedona for just over a year and she loves it here. Her question is we are talking about these communities working together, and the community of Flagstaff is certainly another community, but Northern Arizona University is a university in this area that also serves Sedona and the Verde Valley, and we have these questions about how to develop businesses, so have we tried to tap into NACET (Northern Arizona Center for Emerging Technologies) at all, because they have resources to help.

Robyn Prud'homme-Bauer stated yes and NACET has developed a partnership with Yavapai College and many of us do connect with NACET and try to use their resources and work together, but to jump back to the bigger issue, which is if a community likes its home businesses or whatever, you have to have it as part of your philosophy of how you do business, so you have to align your regulations and ordinances, your permits, etc., to promote that and move it forward and you have to fill in your infrastructure that you are missing to promote anything, and that is the philosophy of a community, so it is how your codes, roads, etc., foster it. It is not just one industry necessarily; it is many things that go on and how a community operates that fosters that, rather than saying we are just going to do this or do that -- are we set-up to accept that? It is in how we make decisions.

Public Speaker 11: Stated that if you knew her better you would know how much she agrees with you on the point about philosophy.

Robyn Prud'homme-Bauer added that seriously that thrives when everyone is on the same line, we move in that direction.

Public Speaker 11: Indicated that her other question on a much more small scale and she was actually asked to raise this. She was doing some work at Heart of Sedona and a lot of people would go there to work, and they were working on starting businesses, and there is a lot of vacant commercial space in Sedona, and they were talking about the possibility of having something perhaps structured by the City like a cooperative business center with shared administrative support or at least a photocopier, scanner and a fax machine, for all of the people that are trying to get involved.

Casey Rooney stated come to Cottonwood, they have a Business Assistance Center in Cottonwood and it is just what you are talking about, so he doesn't know why you don't have one in Sedona, you should, and you should be there talking to all of your friends. If there is one of you here, there are fifty of you here and you should be pulling them all together. There is power in numbers; you are not powerful as one person, but if you bring a lot of people together, then you are powerful and you should have a Business Assistance Center in Sedona. Come over and see ours to see how it is done and bring your City Council.

Public Speaker 11: Indicated he was under the impression that you have a small business development center in Sedona. We just met with them two days ago.

Tom Schumacher explained that we do have those kinds of things and the college is also involved in the Small Business Development Center, but we saw the Business Assistance Center in Cottonwood as something that was missing for people to do just what you are talking about, and he agrees that you need to be there. If you are there, other people are going to be there.

Public Speaker 9: Regarding the comment that we don't pay sales tax, what we are doing is extracting money from all around the world and bringing it into Sedona and that is happening in online business. The person who is running it is bringing all of that money into Sedona, and it also gives the opportunity for new businesses to develop, because as that business grows out of a home and turns into a bigger business, it starts hiring people and that is how businesses can start, and that is why it is important here. The other reason he raised his hand earlier is he was going to bring up NACET in Flagstaff, so he just wants to add that going into the future, somebody had mentioned a business park, and he personally would love to see the City purchase the Cultural Park and have something like NACET, a business incubator that can help, and have a business park, because that would really take us to the next level.

Public Speaker 12: Indicated she has had a business in Sedona serving the tourist industry and a lot of locals also in Uptown for over 22 years. She has three points to make. One is that we don't know what businesses are here, because there is no mechanism for inventorying and developing a database. We definitely need a database, like how many more of you are here?

Public Speaker 9: Stated not many in this town.

Public Speaker 12: Asked how do you know?

Public Speaker 9: Stated he knows.

Public Speaker 12: Indicated that having that ability will be vital as we seek what else we need to expand the economy. The number two thing is when you start talking about sales tax, you have to remember that only 3% of that 10.725% is Sedona's and the rest of it is the state or county or a special open space tax or a prison district tax, which we collect in Coconino, and that is nowhere close to us, so she feels that we really need to work more regionally to have a larger voice to elect the right people to get some changes in that respect, and we need to keep that in mind. Then, to respond to the tsotchkes and the T-shirt shops and that we don't need any more, the demand is what brings that up. Obviously, it is divided, but her thought on that is that we need to attract the right tourists, and how do we do that? Tourists expect amenities and the younger tourists expect experiences -- the wine tour, the Verde River, something much more than driving Uptown and buying a T-shirt or a piece of pottery at her shop. It is vital that we provide those places to park, those places to move them around, and that is what is going to get old tourists back; the ones that are willing to come here and support stores other than just tsotchke and T-shirt shops. They used to be rubber tomahawks.

Chairman Losoff referenced the earlier comment that we have to reinvent ourselves, as a business you don't know what is going to happen in 15 to 20 years, so today's tsotchkes could be something worth a lot more in the future or vice versa. As we talk about that today, we have to keep looking at what is going to happen in 10 years.

Public Speaker 13: Indicated that there were so many things said, he could comment on so many things, but he will just say that he just left Colorado a year ago to move here and he would not have been able to afford living in Telluride or other communities mentioned; fifteen or twenty miles out of Boulder is about the best he could do at the time. The reason he came here is because he can live in Sedona, not one of the surrounding communities, and because of the weather. There are certainly good things we have to offer and one of the things, getting back to sustainability with the weather, it comes down to our ability to grow, and recently he saw a thing called "Vanishing Bees" about economy collapse, and one of the biggest things he took from that is these large farms, what they call monocultures, and he looked at the wine industry. A couple of things from that are that we are adding to the potential tourist draw base, which we are starting to try to leverage into a wine industry, but he would caution that there are other food cultures that are outside of wine, so we don't become a wine monoculture, which would be an okay problem to have, but then it comes back to the same question which comes down to the regional focus and all of the space in the Verde Valley that we don't have in Sedona for parking and preparing crops and for supporting industry regionally, then with the transportation support structure to get people here who can park and move around. When it comes to sustainability there are a lot of answers that he doesn't hear anybody talking about. He hears people complaining that there is no parking, and if there was a

location like what they do in Colorado, in Aspen, everybody goes to the parking garage and they don't have to get in their car until it is time to leave Aspen, and they don't stay 1.5 days, they stay for a week to ski or whatever. Again about the sustainability piece, he would like to see a varied system in this region versus growing a single culture. He works out of a house too and he commutes to a company in Denver, and most of the stuff he buys in the area is shipped to him Fed-Ex and online; he would like to be able to buy here, but he doesn't.

Casey Rooney asked if you have an Economic Development Plan in Sedona; if you don't you should. They put one together in Cottonwood and they put together goals and objectives, and their topics are education, workforce, innovation and entrepreneurship, tourism, Old Town, sustainability, leadership and quality of life, and they set measurable goals for each one, and then every month they talk about those things and hold people accountable. You are talking in generalities here, nobody is like talking about putting this all together and maybe that is where you are heading, but he doesn't think what you are talking about here is an economic development plan, and he thinks you need one.

John Neville stated that we need an economic development action plan; we have an economic development plan and the Verde Valley Forum Plan; we have a ton of plans. Casey asked if you are working them and John stated no.

Public Speaker 14: Has lived here in the Verde Valley about 11 years and she wanted to go back to the comment about the friendliness of the City towards enterprises. We had something going on here for six years, an event that brought over a couple of thousand people into the community for two or three days or longer, and that was the Sedona Marathon. It is no longer, because the organizer was paying \$20,000 out of her pocket to make up for those kinds of expenses that she couldn't sustain, so that is a big loss, because that benefited a lot of shops and restaurants here.

Jennifer Wesselhoff indicated that the Sedona Chamber took over ownership of the Sedona Marathon and will be producing the seventh annual on February 4th. The Chamber is looking at events as a form of economic development.

Public Speaker 15: Indicated she just wondered about mountain biking as a sport industry here, could we develop that?

Robyn Prud'homme-Bauer indicated that people want to do it all over the country and why not come to the beautiful red rocks; Ira suggested looking at what Prescott is doing. Jennifer Wesselhoff then explained that they do promote Sedona as a place to mountain bike in terms of how we position the destination, and along the lines of what Ira had mentioned with the film process, we have some challenges and it is not necessarily the City's fault. The City is actually working to become more film friendly, but we have some real challenges like what the U.S. Forest Service will allow us to do on the forest land. The real challenge is when it comes to filming on Forest Service land, and we are surrounded by Forest Service lands, so there isn't a lot of other places you can go to film and mountain bike, unless you are on Forest Service land, so working with the Forest Service to better define what this community wants in terms of usage of the land would be an important goal for economic development. The Forest Service just recently permitted guides for guided mountain biking tours; for the last 20 years, there have been no mountain biking tours allowed on the land.

Marty Losoff indicated that in the community meetings it is an issue that has been coming up a lot, and he knows there are people in the audience and others that are very interested in the topic, and he thinks they are coming together and they are going to present some very specific ideas on mountain biking and the whole trail system set-up, so as part of our process we are going to see that evolve.

Public Speaker 16: Has been a part-time resident for five years. He thinks Sedona and the area has to be realistic about developing jobs to a certain extent, because everything that is going on is a symptom of the world right now and we have to be careful what kind of industry we import. There is always a love-hate relationship with tourism, but tourism is always going to be the draw in Sedona, so he worries about bringing in industries that will hurt tourism. Tourism will come back as the economy in general improves,

and Sedona can only do so much about current economic conditions, and you do not want to turn off the future tourists. At the same time, the tourism industry has to be careful that it doesn't create itself as a turn-off. Biking is probably a good thing, but you don't want to create paths that destroy the areas. You have to be careful with the motion picture industry too, his wife has worked in advertising and she knows a little about photo shoots, and at the same time, the costs he was talking about are not high, because they are from the Los Angeles area. On the other hand, you talk to some people who live in areas of Los Angeles for filming, and they tell them to get the trucks out of there, because they destroy neighborhoods and peace when they film. The main thing is he thinks you have to keep tourism alive. It will come back and you have to keep a place that people want to come to. People will tour Silicon Valley, and even the surrounding wineries, the tourists in Sedona will go there, but to him a lot of this is about Sedona, and you also have to be realistic that Sedona will always be a bit of a pass-through tourism place, because classically people don't have much time. They go to the Grand Canyon, Monument Valley, and that is how they discovered Sedona 25 years ago -- you travel the whole area. You want them to stay a lot longer, but all these things have to be realistic.

Marty Losoff thanked the audience for some very interesting questions. He then indicated that the Citizens Steering Committee is getting a lot of ideas and he sees a younger generation here, and if we can harness them and have you speak out at all of our meetings on these issues that would be wonderful, so keep coming to the meetings.

CLOSING:

Vice Chairman Jon Thompson indicated that if anyone didn't sign-in, please give your name, so we can keep track of who is here. The next meeting is a week from tonight at the same time at the West Sedona School, and the word sustainability came up a lot more often than economy did tonight, so you definitely want to come next week, because it is all about sustainability. He then explained the "party-in-a-box" and its contents, and indicated that they are going to a wide variety of people. Neighborhoods are coming together, one group was a group of women friends, and the Chamber is doing some things with the board and some employees -- a young professionals group, and businesses are having their employees do these, etc., so if you are interested, Kathy Levin is the person to contact.

The Vice Chairman then told the audience to watch for the announcement about the Community Room that will be coming soon. It is a place where the Committee can have meetings and work, and there will be stations for all kinds of interesting things. To make it successful, there is a need for some volunteers in order to have it open as many hours as possible, so if any of you are interested in contributing to the process, please let him know or contact Kathy Levin or Mike Raber.

The workshop ended at 8:05 p.m.

Respectfully Submitted,

Donna A. S. Puckett, *Recording Secretary*

Date